

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 31, 2001

ALL-COUNTY INFORMATION NOTICE NO.I-114-01

TO: ALL COUNTY WELFARE DIRECTORS
ALL IHSS PROGRAM MANAGERS
ALL COUNTY WELFARE FISCAL OFFICERS

REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by one or More Counties
- ☐ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE NEW STATEWIDE MINIMUM WAGE TO
\$6.75 PER HOUR

REFERENCE: ACL 01-25, ACIN I-72-01 and I-92-00

The purpose of this letter is to inform counties of the California Industrial Welfare Commission's (IWC) decision to raise the statewide hourly minimum wage by \$0.50 per hour on January 1, 2002. This increase is the second of two \$0.50 increments of which the first increase occurred on January 1, 2001.

MINIMUM WAGE INCREASE

On October 23, 2000 the IWC amended the General Minimum Wage Order to require an increase in the statewide hourly minimum wage and eliminate the minimum wage exemption for certain job classifications that included personal attendants in private homes other than babysitters. The statewide minimum wage will be increased as follows:

- On and after January 1, 2002 the minimum wage shall be no less than \$6.75 per hour (an increase of \$.50 from \$6.25).

State Responsibility

- The State will participate in the new minimum wage at its normal cost-sharing ratio for IHSS services of 65% State funds and 35% County funds of the nonfederal costs.
- Non-Public Authority Individual Providers who are already receiving \$6.75 or more per hour will not receive an additional increase in wages as a result of this IWC action.

County Responsibility

The IWC action is mandatory. Implementation of the new minimum wage is non-discretionary. Individual Providers must be paid at no less than the minimum wage level.

CMIPS

- The Case Management, Information, and Payrolling System (CMIPS) is programmed to reflect the new minimum wage level on January 1, 2002 as the default wage.
- If a non-Public Authority county has notified the Department prior to January 1, 2002 of its decision to pay its Individual Providers wages that are greater than the new minimum wage, that wage will be programmed into CMIPS as the default wage for that county.
- Enhancements were added to the rate change program, which included updating the segments of overdue assessed cases. The goal of this additional programming is to ensure that providers are paid at the county default rate. Counties should work their Rate Change Exception Reports as soon as they receive them because there will be cases that were not updated due to circumstances beyond outstanding recipient assessments. The number of cases fitting this description is less than 1,000 statewide. We are not including them in the updates to ensure a complete review of the cases and appropriate updates to both the recipient and provider records

IMPACT OF JANUARY 1, 2002 MINIMUM WAGE CHANGE ON 5.31% WAGE INCREASE

Under Assembly Bill 429, the State can participate at its normal sharing ratio in Individual Provider wages up to the minimum wage plus 5.31% in counties that do not have a Public Authority. Therefore, beginning January 1, 2002 the maximum non-Public Authority Individual Provider hourly wage level in which the State will share is \$7.11. Any wage cost above \$7.11 will be county only funds until additional increases in the statewide minimum wage occur or other State budget authority is provided for increased State funding for Individual Provider wages. Federal Medicaid (Title XIX) matching funds are available, with the approval of the Department of Health Services, up to 150 percent of the State minimum wage according to the Title XIX State Plan Amendment for PCSP.

Counties that anticipate further increasing their Individual Provider wage rates should notify the California Department of Social Services (CDSS) immediately. The county should do the following for the State to implement additional wage increases for a Non-Public Authority county:

1. Submit written notification to increase the county's Individual Provider wage rate to:

Alan Stelmack, Chief
California Department of Social Services
Adult Programs Branch
744 P Street, M.S. 19-96
Sacramento, CA 95814

2. The wage increase notification must include the total rate, in dollars and cents, and the effective date.
3. Please be aware that we need advance notice of a minimum of 30 days to reflect and pay the new rate via the Case Management Information and Payrolling System (CMIPS).

There have been prior instances where counties did not provide timely notification to implement a wage change. As a result, the counties had to manually input the wage change. We would like to prevent this additional workload for counties from occurring in the future.

Questions regarding CMIPS procedures can be addressed to Patricia Nielsen at (916) 229-4039. Questions regarding State financial provisions for IP wage increases can be addressed to Brian Nanoo of the Adult Programs Fiscal and Administrative Unit at (916) 229-4016, or your IHSS/PCSP Operations Analyst at (916) 229-4000.

Sincerely,

***Original Document Signed By
Donna L. Mandelstam on 12/31/01***

DONNA L. MANDELSTAM
Deputy Director
Disability and Adult Programs Division

Attachment

Please Post Next to Your IWC Industry or Occupation Order

OFFICIAL NOTICE

California Minimum Wage

MW-2001

Minimum Wage - Every employer shall pay to each employee wages not less than the following:

\$6.25

per hour beginning January 1, 2001

\$6.75

per hour beginning January 1, 2002

To employers and representatives of persons working in industries and occupations in the State of California:

SUMMARY OF ACTIONS

TAKE NOTICE that on October 23, 2000, the Industrial Welfare Commission (IWC), having proceeded according to its authority in the Labor Code and Constitution of California, Article 14, § 1, amended Sections 1, 2, 3, and 5 of the General Minimum Wage Order, MW-98. Section 4, Separability, has not been changed. The IWC adopted increases to the minimum wage and to meals and lodging credits in this general minimum wage order and in all of the IWC's industry and occupation orders. The IWC also repealed and/or amended the following non-statutory full and partial exemptions from the minimum wage for certain employees that are contained in this order as well as in its industry and occupation orders: student nurses, professional actors, full-time carnival ride operators, employees of the State or local governments and any political subdivision thereof, personal attendants in private homes except for persons under the age of eighteen who are employed as baby sitters for a minor child of the employer in the employer's home, and minors paid not less than 85% of the minimum wage rounded to the nearest nickel. The present partial exemption for learners was amended to include minors. The IWC took these actions after holding investigative public hearings as required by Labor Code § 1178, considering the report of the Wage Board on the minimum wage selected pursuant to Labor Code § 1178.5, and subsequently holding public hearings according to the requirements of Labor Code § 1181.

This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained at www.dir.ca.gov/IWC or by mail from the IWC.

1. APPLICABILITY

The provisions of this Order shall not apply to outside salespersons and individuals who are the parent, spouse, or children of the employer previously contained in this Order and the IWC's industry and occupation orders. The IWC has eliminated other exemptions from the minimum wage previously contained in this Order and in sections of the IWC's industry and occupation orders. (See Section 5, Amended Provisions, below.) Exceptions and modifications provided by statute or in Section 1, Applicability, and in other sections of the IWC's industry and occupation orders may be used where any such provisions are enforceable and applicable to the employer.

2. MINIMUM WAGES

Every employer shall pay to each employee wages not less than six dollars and twenty-five cents (\$6.25) per hour for all hours worked, effective January 1, 2001, and not less than six dollars and seventy-five cents (\$6.75) per hour for all hours worked, effective January 1, 2002.

3. MEALS AND LODGING

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

LODGING

	Effective January 1, 2001	Effective January 1, 2002
Room occupied alone	\$29.40 per week	\$31.75 per week
Room shared	\$24.25 per week	\$26.20 per week
Apartment - two-thirds (2/3) of the ordinary rental value, and in no event more than: ...	\$352.95 per month	\$381.20 per month
Where a couple are both employed by the employer, two-thirds (2/3) of the ordinary rental value, and in no event more than:	\$522.10 per month	\$563.90 per month

MEALS

Breakfast	\$2.25	\$2.45
Lunch	\$3.10	\$3.35
Dinner	\$4.15	\$4.50

4. SEPARABILITY

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

5. AMENDED PROVISIONS

This Order amends the minimum wage and meals and lodging credits in MW-98, as well as in the IWC's industry and occupation orders. (See Orders 1-15, Secs. 4 and 10; and Order 16, Secs. 4 and 9.) This Order also amends the following other provisions of the IWC's industry and occupation orders to be consistent with the IWC's actions regarding the elimination of certain exemptions from the minimum wage: Order 1, Secs. 1(B) and 4(A)(1) and (2); Order 2, Secs. 1(B) and 4(A)(1) and (2); Order 3, Secs. 1(B) and 4(A)(1) and (2); Order 4, Secs. 1(B) and 4(A)(1) and (2); Order 5, Secs. 1(A) and (C), and 4(A)(1) and (2); Order 6, Secs. 1(B) and 4(A)(1) and (2); Order 7, Secs. 1(B) and 4(A)(1) and (2); Order 8, Secs. 1(B) and 4(A)(1) and (2); Order 9, Secs. 1(B) and 4(A)(1) and (2); Order 10, Secs. 1(B) and (D), and 4(A)(1) and (2); Order 11, Secs. 1(B) and (C) and 4(A)(1) and (2); Order 12, Secs. 1(B) and (C) and 4(A)(1) and (2); Order 13, Secs. 1(B) and 4(A)(1) and (2); Order 14, Secs. 1(B) and 4(A)(1) and (2); Order 15, Secs. 1(B) and 4(A)(1) and (2); and, Order 16, Sec. 1(B). These amendments were adopted on October 23, 2000, in Sacramento.

These Amendments to the Wage Orders shall be in effect as of January 1, 2001.

Questions about enforcement should be directed to the Division of Labor Standards Enforcement. Consult the white pages of your telephone directory under CALIFORNIA, State of, Industrial Relations for the address and telephone number of the office nearest you. The Division has offices in the following cities: Eureka, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, and Van Nuys.